GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:5284
ANSWERED ON:22.12.2000
CALCULATION OF INDIRECT TAXES
NITISH SENGUPTA

Will the Minister of FINANCE be pleased to state:

(a) whether despite being a signatory to the WTO(ITA-I)agreement the Uninterrupted Power Supply is not beingtreated as an Information Technology Product by the Central Government for the purpose of Sales Tax, Excise& Customs Duties as computerisation has been identified as a `Thrust Area`;

(b) if so, the facts thereof;

(c) whether some States like Tamil Nadu, Maharashtra, Rajasthan and Gujarat have identified Uninterrupted Power Supplies as an Information Technology product for the purpose of Sales Tax;

(d) if so, the reaction of the Government thereto; and

(e) the time by which final decision is likely to be taken in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a)-(e): Static Converters for automatic data process- ing machines and units thereof, are covered in the ITA-I Schedule. This Schedule deals only with basic customs duty rates, which have been prescribed as per the bindings under the ITA-I Agreement. The ITA-I Schedule does not deal with or cover the excise duty or sales tax rates in respect of the products figuring in the schedule. However, static converters attract the same excise duty rate of 16% ad-valorem, as applicable to other IT hardware products. As regards sales tax, the Empowered Committee of State Finance Ministers, constituted to monitor sales- tax reforms, has received a list of IT products from the Ministry of Information Technology for being placed in the list of uniform floor rates of Sales- tax. Uninterrupted Power Supply is a part of this list of IT products.